RECEIVED

HOUSING COMMITTEE DALLAS CITY COUNCIL COMMITTEE AGENDA

2016 JUN -3 AM 8: 15

CITY SECRETARY DALLAS, TEXAS

MONDAY, June 6, 2016 CITY HALL COUNCIL BRIEFING ROOM, 6ES 1500 MARILLA DALLAS, TEXAS 75201 11:00 A.M. – 12:30 P.M.

Chair, Councilmember Scott Griggs
Vice-Chair, Councilmember Carolyn King Arnold
Mayor Pro Tem Monica R. Alonzo
Councilmember Tiffinni A. Young
Councilmember Mark Clayton
Councilmember Casey Thomas, II

Call to Order

1. Approval of Minutes

BRIEFINGS

2. North Texas Community Development Association
All Districts

Sherman Roberts President City Wide CDC

Tim Therford Consultant

Diane Ragsdale
Managing Director
South Dallas Fair Park ICDC

3. Housing Policies Update & Calendar All Districts Bernadette Mitchell Director Housing/Community Services

4. UPCOMING AGENDA ITEMS

June 15, 2016

City Attorney's Office

A. Consideration of two alternative ordinances amending Chapter 20A, "Fair Housing," of the Dallas City Code to either (1) prohibit discrimination in housing on the basis of source of income; or (2) prohibit discrimination in housing on the basis of source of income, except as prohibited by state law

Office of Financial Services

B. A public hearing to receive comments on the proposed change of use for property located at 138 West Davis Street purchased with Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development; and, at the close of the public hearing, authorize approval of the change of use and voluntary refund of CDBG funds to be used for other eligible purposes in the future

Adjourn

Scott Griggs, Chair Housing Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

- Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551,071 of the Texas Open Meetings Act.
- The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the
 position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
- A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the
 position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
- Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer
 or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
- The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
- Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapitulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a propiedad con una pistola a la vista. "

Housing Committee

Meeting Record May 16, 2016

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: May 16, 2016 Meeting Start time: 11:03 A.M.

Committee Members Present:	Staff Present:
Scott Griggs (Chair)	Alan Sims, Chief of Neighborhood Plus
Carolyn King Arnold (Vice Chair)	Bernadette Mitchell, Director/H/CS
Tiffinni A. Young	Jack Ireland, Director/OFS
Monica R. Alonzo	Chan Williams, OFS
Mark Clayton	David Cossum, Director, DDS
Casey Thomas, II	Craig Kinton, AUD
	Anatoli Doudtski, AUD
Other Council Members Present: Sandy Grayson Philip Kingston Lee Kleinman B. Adam McGough	Other Presenters:
Erik Wilson	Diane Gibson-Community Courts

AGENDA:

Housing Committee Meeting Called to Order by CM Scott Griggs

1. Approval of May 2, 2016 Minutes of the Housing Committee Presenter(s): CM Scott Griggs

Action Taken/Committee Recommendation(s): Motion made to approve the minutes

Motion made by: CM Mark Clayton	Motion seconded by: CM Monica Alonzo	
Item passed unanimously: X	Item passed on a divided vote:	
Item failed unanimously:	Item failed on a divided vote:	

Follow-up (if necessary):

2. Proposed FY 2016-17 HUD Consolidated Plan Budget-All Districts

Presenter(s): Alan Sims, Chief of Neighborhood Plus/Bernadette Mitchell, Director of Housing/Community Services/Jack Ireland, Director of Financial Services/Chan Williams, Assistant Director, Office of Financial Services

Information O	nly:
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Action Taken/Committee Recommendation(s): Motion made to move forward to full council with staff recommendations for further discussion

Motion made by: CM Monica Alonzo	Motion seconded by: CM Tiffinni Young
Item passed unanimously:	Item passed on a divided vote: X
Item failed unanimously:	Item failed on a divided vote:

Follow-up (if necessary):

3.	Inclusionary	Zoning-All	Districts

Presenter(s): Alan Sims, Chief of Neighborhood Plus/Bernadette Mitchell, Director of Housing/Community Services/David Cossum, Director of Sustainable Development & Construction

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by:	Motion seconded by:		
Item passed unanimously:	Item passed on a divided vote:		
Item failed unanimously:	Item failed on a divided vote:		

Follow-up (if necessary):

4. Housing Policy-All Districts

Presenter(s): Alan Sims, Chief of Neighborhood Plus/ Bernadette Mitchell, Director of Housing/Community Services/David Cossum, Director of Sustainable Development & Constriction

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: Motion seconded by:	
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

5. Audit of the Department of Housing/Community Services' Contract Monitoring-All Districts
Presenter(s): Alan Sims, Chief of Neighborhood Plus/Bernadette Mitchell, Director of
Housing/Community Services/Craig Kinton, City Auditor/Anatoli Doudtski, Assist. City
Auditor III, Office of the City Auditor

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by:	Motion seconded by:		
Item passed unanimously:	Item passed on a divided vote:		
Item failed unanimously:	Item failed on a divided vote:		

Follow-up (if necessary)

6. Housing Bond Program for 2017-All Districts

Presenter(s): Alan Sims, Chief of Neighborhood Plus/Bernadette Mitchell, Director of Housing/Community Services

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by:	Motion seconded by:		
Item passed unanimously:	Item passed on a divided vote:		
Item failed unanimously:	Item failed on a divided vote:		

Follow-up (if necessary)

7. UPCOMING AGENDA ITEMS

May 25, 2016

- A. Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Camden Homes, LLC for the construction of affordable houses; (2) the sale of 18 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to Camden Homes, LLC; and (3) execution of a release of lien for any non-tax liens on the 18 properties that may have been filed by the City Districts 4, 8
- B. Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Confia Homes, L.L.C. for the construction of affordable houses; (2) the sale of 11 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to Confia Homes, L.L.C.; and (3) execution of a release of lien for any non-tax liens on the 11 properties that may have been filed by the City Districts 3, 4, 5, 6
- C. Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Cooper Homes, Inc. for the construction of affordable houses; (2) the sale of 17 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to Cooper Homes, Inc.; and (3) execution of a release of lien for any non-tax liens on the 17 properties that may have been filed by the City Districts 4,8
- D. Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Milton Semper for the construction of affordable houses; (2) the sale of 2 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to Milton Semper; and (3) execution of a release of lien for any non-tax liens on the 2 properties that may have been filed by the City - District 4
- E. Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Simply Custom for the construction of affordable houses; (2) the sale of 9 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to Simply Custom; and (3) execution of a release of lien for any non-tax liens on the 9 properties that may have been filed by the City District 7
- F. Authorize on-site reconstruction of six homes in accordance with the requirements of the Reconstruction Program Statement for the properties located at: 2614 South Ewing Avenue in the amount of \$103,000; 3812 Atlanta Street in the amount of \$103,000; 1422 Montague Avenue in the amount of \$103,000; 1822 Mentor Avenue in the amount of \$103,000; 7923 Rilla Avenue in the amount of \$103,000; and 3912 Hammerly Drive in the amount of \$103,000) Districts 4, 5, 6, 7

Action Taken/Committee Recommendation(s): Motion made to move forward to full council

Motion made by: CM Mark Clayton	Motion seconded by: CM Casey Thomas		
Item passed unanimously: X	Item passed on a divided vote:		
Item failed unanimously:	Item failed on a divided vote:		

Follow-up (if necessary

Meeting Adjourned:	12:56	<u>P.M.</u>	
Approved By:			

Memorandum



DATE June 3, 2016

Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT North Texas Community Development Association

On Monday, June 6, 2016, you will be briefed on the. A copy of the North Texas Community Development Association. A copy of the briefing is attached.

Please let me know if you have any questions.

Alan E. Sims

Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council

A. C. Gonzalez, City Manager Rosa A. Rios, City Secretary

Christopher D. Bowers, Interim City Attorney

Craig Kinton, City Auditor

Daniel F. Solis, Administrative Judge

Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P. E., Assistant City Manager

Mark McDaniel, Assistant City Manager

Joey Zapata, Assistant City Manager

Jeanne Chipperfield, Chief Financial Officer

Sana Syed, Public Information Officer

Elsa Cantu, Assistant to the City Manager - Mayor and Council

The North Texas Community Development Association

A Presentation to the

City of Dallas Housing Committee

June 6, 2016

CHDOs

Community Housing Development Organizations

- CHDOs are a creation of the HOME program.
- Designated and defined in the same legislation the Cranston-Gonzales Nat'l Affordable Housing Act of 1990
- Intended to be a major player in HOME activities and a substantial recipient of its funding.
- CHDOs are the only eligible recipient of the HOME setaside (15%) of all HOME funds.
- Without CHDO activity the city would lose the money
- As much as 10% of HOME funds may be used for CHDO operating costs.

Cranston/Gonzales 1990

CHDOs must be certified by the Participating Jurisdiction (city or state), considering:

- Non-Profit Status
- Purpose (providing low-income affordable housing)
- Demonstrated Capacity
- History of serving subject community
- One-third of Board reserved for LI residents
- Process for advisement by LI residents

HUD's Definition of CHDO

HOME Set Aside

Operations Subsidy (optional)

Other Government Funding

Private Funding

- **Conventional Finance**
- **Grants**
- Charitable Giving

CHDOs Certified by the City of Dallas

South Dallas/Fair Park Innercity Community Development Corporation SouthFair Community Development Corporation Builders of Hope Community Development Corporation City Wide Community Development Corporation East Dallas Community Organization

ТҮРЕ	2014	2015	Total (all years)
Multi-family new construction (units)	193	45	790
Multi-family rehabilitated (units)			138
Single family new construction (units)	54	41	696
Single family rehabilitated (units)	20	10	73
Commercial (Sq Ft)	14,000		78,000

CHDO Production in Dallas



Housing for All in Dallas

New Ideas and New Perspectives on Public Investment in Housing

The 2015 City of Dallas *Analysis of Impediments to Fair Housing* pinpoints the greatest need – **Severely Cost Burdened Households**

• 63.8% of Extremely Low Income Renters 0-30% MFI

• 61.9% of Extremely Low Income Homeowners 0-30% MFI

• 23.8% of Low Income Renters 30-50% MFI

• 33.5% of Low Income Homeowners 30-50% MFI

Income Level	Cost Burdened	Severely Cost Burdened	Cost Burdened	Severely Cost Burdened
	Renters		Home Owners	
Extreme Low Income	13.4 %	63.8 %	15.2 %	61.9 %
Low Income	56.6 %	23.8 %	32.1 %	33.5 %
Moderate Income	35.1 %	5.3 %	32.9 %	12.8 %
Mid/Upper Income	3.9 %	0.8 %	12.4 %	2.7 %
Total	23.4 %	21.1 %	18.0 %	12.9 %

Greatest Need

"Severely Cost Burdened" Housing costs (with utilities) exceed 50% of gross wages

- Poor Health (esp. asthma, pneumonia, tuberculosis)
- Poor Educational outcomes
- Poor Nutrition
- Stress associated with domestic violence
- Sub-standard living conditions
- Staging ground for homelessness

Urgency

Projection of Enterprise/Harvard Center for Housing Study:

- 2025- The number of households with severe cost burden will increase 11% at present income/rent ratio
- Just a 1% variation in the rate of growth rents vs income will result in a 25% increase in households shouldering a severe cost burden
- Rent Increases have outpaced Income growth for the last 15 years

Consequence of Inaction 10

- The City of Dallas is not equipped to subsidize us out of this problem with current revenue.
- Federal and state programs are insufficient and shrinking.
- The for-profit development sector is not motivated to build us out of this problem.

Conclusions

NTCDA Policy Recommendations

A comprehensive housing policy for the city should prioritize the housing needs of extremely-low-income households with severe cost burden.

- There are currently 15,415 "small related" households of extremely-low-income renters which suffer a severe housing cost burden.
- There are 3,085 "small related" households of extremely-low-income owners.

Target the Greatest Need 13

2015 Dallas *Analysis of Impediments*:

Dallas has more than 525,000 housing units

- Fewer than 18,000 units rent for < \$500
- Fewer than 1,900 homes with mortgages < \$500

There are more than 80,000 households which cannot afford more than \$450 per month

Shortage of @ 60,000 affordable housing units

Respond at SCALE

Dallas Housing Policy Should:

- Encourage a blend of strategies, including; rehabilitation, new construction and slum and blight removal.
- Invoke financial supports, including; tax increment reinvestment, low income housing tax credits, HOME, CDBG and direct HUD funding, and
- It should include a recommendation to dedicate General Obligation bonds.

Blend Strategies

2011 HUD Income Limits Summary: Dallas Metro Area Median Household Income = \$69,100.

2011 American Community Survey: City of Dallas Median Household Income = \$40,585 a difference of \$28,515

When we use AMFI (Area Median), we consider incomes in Rockwall, Frisco, Plano, Allen and even Highland Park – obscuring the severity of housing cost burden in Dallas.

Use Consistent Income Data

Homestead Preservation Districts

Homestead Preservation District revenues are derived from a Homestead Tax Increment Reinvestment Zone (TIRZ).

Tax Increment funds are a dedicated portion of taxes derived from increased property appraisals in the HPD.

The statute drives the subsidy down to income levels that existing programs often fail to serve.

- 100% of revenue for households at or below 70% of MFI.
- 50% of revenue for households at or below 50% of MFI.
- 25% of revenue for households at or below 30% of MFI.

Deep Subsidy

HPDs are authorized to support:

- Development of affordable rental housing
- Preservation of at-risk homeownership
- New opportunities for homeownership
- Community Land Trusts a new and promising form of community real estate control

Broad Range of Activity

We are informed by the experience of the City of Austin in establishing preservation districts and reinvestment zones.

Recently Austin expanded this effort by creating three new Homestead Preservation Districts.

A Road Already Traveled

- City of Austin
- Urban Land Institute

Dallas Habitat

Others Recommending HPDs

Other Recommended Strategies

Tenant Empowerment - Collaboration in Fighting Slum and Blight

Reduce/Abate TAP Fees

GOBonds

Single Family Mortgages - Buydowns and Refinancing

New law permits tenants (or organizations acting on behalf of tenants) to force a landlord to make repairs to the extent of \$10,000 under order of a Justice Court.

Simply one-page form with small (or no) court costs

Opportunity for Collaboration with Tenants:

- CHDOs
- City Attorney's Office
- Code Enforcement

Partnering with Tenants on Habitability

TAP Fees:

- are assessed to reimburse the city for the cost of connecting new developments to city water and sewer lines and for related inspection by the city.
- drive up total development costs, increasing the financial gap faced by low-income homebuyers and by affordable housing developers.

Abate/Reduce TAP Fees

Homeownership for Low Income families promises numerous community and household benefits, including:

- Asset Formation for vulnerable families (36-1 over renters)
- Community Participation (Social and Political)
- Improved Psychological Health
- Improved Educational Outcomes (esp. High School Grad. Rates)

Strategies for expanding Low Income homeownership:

Mortgage "buydown" / Economy in Construction / Financial Counseling / Subsidies for Qualifying LI Families / Downpayment Assistance

Single-family Mortgage Assistance

General Obligation Bonds are the most promising source of unrestricted subsidies to fill the "gap" in low-income housing finance. Potential uses include:

- Infrastructure Development in Neglected Neighborhoods
- Single-family Mortgage Buy-Downs
- Multi-family Gap Financing
- Reimbursement of Abated TAP fees

General Obligation Bonds₂₆

Memorandum



DATE June 3, 2016

Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Housing Policies Update & Calendar

On Monday, June 6, 2016, you will be briefed on the Housing Policies Update & Calendar. A copy of the briefing is attached.

Please let me know if you have any questions.

Alan E. Sims

Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
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Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager — Mayor and Council

HOUSING POLICIES UPDATE & CALENDAR

A BRIEFING TO THE HOUSING COMMITTEE JUNE 6, 2016



PURPOSE

- To Discuss the Statement of Intent
- Approve Certain Housing Policies for future Council consideration

STATEMENT OF INTENT

- Revised Statement of Intent was issued May 27, 2016
- The Statement of Intent serves as a framework for the creation of the comprehensive policy
 - It includes foundational elements along with a number of additional components
 - Many of the elements have been discussed at the Housing Committee
- After consideration and action on certain policy elements, the comprehensive policy document would incorporate all policies, programs, and processes for implementation
- Comprehensive housing policy document by November/December 2016

POLICIES TO CONSIDER

- Policy #1: Support all ownership housing opportunities throughout Dallas
 - Briefings November 2015 and December 2015
 - Ownership Housing Program adopted in January 2016
 - Awards for Development in May 2016

- Policy #2: Support the adoption of a Source of Income Ordinance (Chapter 20A)
 - Briefings in January 2016 and May 2016
 - Upcoming Council consideration June 15, 2016

- Policy #3: Require all multifamily housing developments requesting zoning changes, subsidy, or other City of Dallas consideration to agree to 10% of the units being offered for households at 0% -50% of the Area Median Family Income (AMFI) and accept Housing Choice Vouchers
 - Briefings on Fair Housing: August 2015 and November 2015
 - Briefing on Inclusionary Zoning May 2016
 - Upcoming Council consideration for source of income on June 15, 2016, includes acceptance of vouchers

- Policy #4: Adopt a housing placement policy for multifamily housing developments
 - Projects reserving more than 50% of units for income restricted households shall only be eligible to receive resolutions of City support or subsidy if they are to be constructed or rehabilitated in census tracts meeting all of the criteria for "High Opportunity Areas"
 - "High Opportunity Areas" would be defined as:
 - Census tracts with less than 15% poverty rate; and
 - In the attendance zone of an elementary school that has a state accountability rating of "Met Standard" from the Texas Education Agency
 - The City would not waive any de-concentration standards in the Texas Department of Housing & Community Affairs' Qualified Allocation Plan, unless a proposed project falls in a "High Opportunity Area"
 - Briefings on Fair Housing: August 2015 and November 2015
 - Briefings from the Real Estate Council February 16, 2016 and ICP on April 4, 2016
 - Briefing on siting options May 16, 2016

- Policy #5: Require Tax Increment Financing (TIF) District housing projects in "High Opportunity Areas" that receive assistance to provide 20% of the units to households at 80% of the Area Median Family Income (AMFI) with a minimum of 10% of the units to households at 50% AMFI and below
 - Briefings on Fair Housing: August 2015 and November 2015
 - Briefing on TIF February 1, 2016
 - Briefing from ICP on April 4, 2016
- Policy #6: Support the development of a Housing Mobility Program and Landlord Sublease/Guarantor
 Program for voucher holders to affirmatively further fair housing choices throughout the Region
 - Briefing from Dallas Housing Authority on December 7, 2015
 - Briefing from ICP on April 4, 2016

- Policy #7: Support the development of a regional affordable housing policy
 - Briefings from the Real Estate Council February 16, 2016, ICP on April 4, 2016, and Urban Land Institute on May 2, 2016
- Policy #8: Create a dedicated revenue source for implementation of comprehensive housing policy
 - Briefings from City of Houston on December 7, 2015 and City of Austin on January 19, 2016
 - Briefings from the Real Estate Council February 16, 2016, ICP on April 4, 2016, and Urban Land Institute on May 2, 2016

NEXT STEPS

- Housing Committee direction/ approval of policies
- June- October:
 - Additional Housing Committee briefings on policy topics as needed
 - Ongoing modifications to specific programs to match the policies
 - Creation of new programs to match policy intentions
- August 2016 Briefing to full City Council on Housing Committee work
- Comprehensive Housing Policy document by November/December 2016

APPENDIX A

FY 2016 HUD INCOME LIMITS FOR METRO FMR AREA

ANNUAL INCOME BY FAMILY SIZE

Family Size	0-30% Income	31% - 50% Income	51%-80% Income	81% -100%	101%-140%
I	\$15,050	\$25,100	\$40,150	\$50,190	\$70,266
2	\$17,200	\$28,700	\$45,900	\$57,360	\$80,304
3	\$19,350	\$32,300	\$51,650	\$64,530	\$90,342
4	\$21,500	\$35,850	\$57,350	\$71,700	\$100,380

Estimated median family income for the Dallas area for four person household is \$71,700

APPENDIX B

DALLAS MONTHLY AFFORDABILITY AT 30% OF INCOME

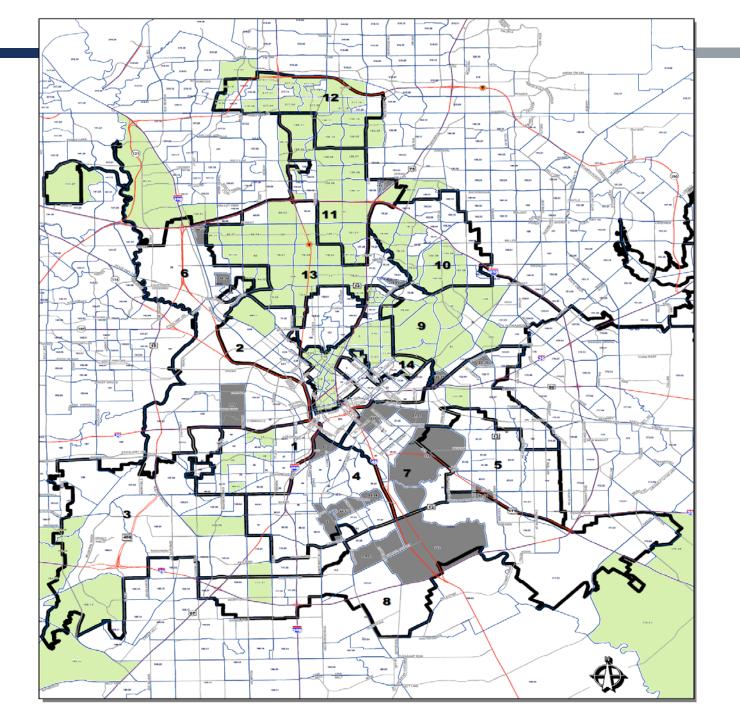
HOUSING AFFORDABILITY PER MONTH BY FAMILY SIZE

Family Size	0-30% Income	31% - 50% Income	51%-80% Income	81% -100%	101%-140%
I	\$376.25	\$627.50	\$1,003.75	\$1,254.75	\$1,756.65
2	\$430.00	\$717.50	\$1,147.50	\$1,434.00	\$2,007.60
3	\$483.75	\$807.50	\$1,291.25	\$1,613.25	\$2,258.55
4	\$537.50	\$896.25	\$1,433.75	\$1,792.50	\$2,509.50

Note: Housing affordability is the standard that a family should expend no more than 30% of its gross annual income for housing costs, including utilities.

APPENDIX C

"HIGH OPPORTUNITY AREAS"



- Green shaded census tracts have 15% or less poverty rates
- Gray shaded census tracts have 40% or greater poverty rates

KEY FOCUS AREA:

E-Gov

AGENDA DATE:

June 15, 2016

COUNCIL DISTRICT(S):

ΑII

DEPARTMENT:

City Attorney's Office

CMO:

Christopher D. Bowers, 670-3491

MAPSCO:

N/A

SUBJECT

Consideration of two alternative ordinances amending Chapter 20A, "Fair Housing," of the Dallas City Code to either (1) prohibit discrimination in housing on the basis of source of income; or (2) prohibit discrimination in housing on the basis of source of income, except as prohibited by state law - Financing: No cost consideration to the City

BACKGROUND

In 2014, the City entered into a Voluntary Compliance Agreement ("VCA") with the U.S. Department of Housing and Urban Development. The VCA requires that the city council consider adoption of an ordinance that would prohibit discrimination in housing on the basis of source of income, including housing choice vouchers. An ordinance that complies with our VCA obligations is attached as "Ordinance 1." Consideration of Ordinance 1 is sufficient to satisfy our VCA obligation; the VCA does not require that the city council approve this alternative.

After the City entered into the VCA, the Texas Legislature enacted a law that prohibits municipalities from adopting source of income ordinances related to federal housing assistance (except as to military veterans and voluntary programs). In light of the change to state law, the Housing Committee recommended an ordinance that would prohibit source of income discrimination, except as barred by state law. The Housing Committee's recommendations are reflected in the attached "Ordinance 2." Also, as permitted by state law, the Housing Committee recommended that residential developments receiving city subsidies or increases in zoning density refrain from source of income discrimination, including housing choice vouchers. Finally, Ordinance 2 adds a new "safe harbor" defense, which states that property owners are safe from source of income discrimination claims if 10% of their residential units are leased to housing choice voucher holders.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Housing Committee was briefed on the source of income discrimination ordinance on January 4, and reviewed the alternative ordinances on May 2, 2016.

FISCAL INFORMATION

No cost consideration to the City.

ORDINANCE NO.	
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An ordinance amending Chapter 20A, "Fair Housing," of the Dallas City Code by amending Sections 20A-2, 20A-3, 20A-4, 20A-5, 20A-7, and 20A-10; prohibiting discrimination in housing practices on the basis of source of income; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 20A-2, "Declaration of Policy," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-2. DECLARATION OF POLICY.

It is the policy of the city of Dallas, through fair, orderly, and lawful procedures, to promote the opportunity for each person to obtain housing without regard to race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income. This policy is grounded upon a recognition of the right of every person to have access to adequate housing of the person's own choice, and the denial of this right because of race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income is detrimental to the health, safety, and welfare of the inhabitants of the city and constitutes an unjust deprivation of rights, which is within the power and proper responsibility of government to prevent."

SECTION 2. That Section 20A-3, "Definitions," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-3. DEFINITIONS.

In this chapter, unless the context requires a different definition:

- (1) ACCESSIBLE means that an area of a housing accommodation can be approached, entered, and used by a person with a physical handicap.
- (2) ACCESSIBLE ROUTE means a continuous unobstructed path connecting accessible elements and spaces in a housing accommodation that can be negotiated by a person with a severe disability using a wheelchair and that is also safe for and usable by a person with other disabilities.

- (3) ADMINISTRATOR means the administrator of the fair housing office designated by the city manager to enforce and administer this chapter and includes the administrator's designated representative.
- (4) AGGRIEVED PERSON means a person claiming to be injured by a discriminatory housing practice.
- (5) BUILDING ENTRANCE ON AN ACCESSIBLE ROUTE means an accessible entrance to a covered multi-family dwelling that is connected by an accessible route to public transportation stops, to accessible parking and passenger loading zones, or to the public streets or sidewalks, if available.
- (6) COMPLAINANT means a person, including the administrator, who files a complaint under Section 20A-7.
 - (7) COVERED MULTI-FAMILY DWELLING means:
- (A) a building consisting of four or more dwelling units if the building has one or more elevators; and
- (B) a ground floor dwelling unit in any other building consisting of four or more dwelling units.
- (8) DEFENSE means a defense to criminal prosecution in municipal court as explained in the Texas Penal Code. Defense also means, where specifically provided, an exemption from a civil action.
- (9) DISCRIMINATORY HOUSING PRACTICE means conduct that is an offense under Section 20A-4 of this chapter.
 - (10) DWELLING UNIT means a single unit of residence for a family.
 - (11) FAMILIAL STATUS means the status of a person resulting from being:
 - (A) pregnant;
- (B) domiciled with an individual younger than 18 years of age in regard to whom the person:
 - (i) is the parent or legal custodian; or
- (ii) has the written permission of the parent or legal custodian for domicile with the individual; or
- (C) in the process of obtaining legal custody of an individual younger than 18 years of age.

- (12) FAMILY includes a single individual.
- (13) HANDICAP:
 - (A) means:
- (i) a physical or mental impairment that substantially limits one or more major life activities;
- (ii) a record of an impairment described in Subparagraph (i) of this paragraph; or
- (iii) being regarded as having an impairment described in Subparagraph (i) of this paragraph; and
- (B) does not mean a current, illegal use of or addiction to a drug or illegal or federally-controlled substance.
 - (14) HOUSING ACCOMMODATION means:
- (A) any building, structure, or part of a building or structure that is occupied, or designed or intended for occupancy, as a residence for one or more families; and
- (B) any vacant land that is offered for sale or lease for the construction or location of a building, structure, or part of a building or structure described by Paragraph (A) of this subsection.
- (15) PERSON means an individual, corporation, partnership, association, labor organization, legal representative, mutual company, joint-stock company, trust, unincorporated organization, trustee, receiver, or fiduciary or any employee, representative, or agent of the person.
- (16) RENT means lease, sublease, or otherwise grant for a consideration the right to occupy premises that are not owned by the occupant.
- (17) RESIDENCE does not include a hotel, motel, or similar public accommodation where occupancy is available exclusively on a temporary, day-to-day basis.
 - (18) RESIDENTIAL REAL ESTATE-RELATED TRANSACTION means:
- (A) the making or purchasing of loans or the providing of other financial assistance:
- (i) for purchasing, constructing, improving, repairing, or maintaining a housing accommodation; or
 - (ii) secured by residential real estate; or

- (B) the selling, brokering, or appraising of residential real property.
- (19) RESPONDENT means a person identified in a complaint or charge as having committed a discriminatory housing practice under this chapter.
- (20) SOURCE OF INCOME means lawful, regular, and verifiable income from whatever source derived (including housing vouchers and other subsidies provided by government or non-governmental entities, child support, or spousal maintenance)."
- SECTION 3. That Section 20A-4, "Discriminatory Housing Practices," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-4. DISCRIMINATORY HOUSING PRACTICES.

- (a) A person commits an offense if he, because of race, color, sex, religion, handicap, familial status, [er] national origin, or source of income:
- (1) refuses to negotiate with a person for the sale or rental of a housing accommodation or otherwise denies or makes unavailable a housing accommodation to a person;
- (2) refuses to sell or rent, or otherwise makes unavailable, a housing accommodation to another person after the other person makes an offer to buy or rent the accommodation; or
- (3) discriminates against a person in the terms, conditions, or privileges of, or in providing a service or facility in connection with, the sale or rental of a housing accommodation.
- (b) A person commits an offense if he, because of race, color, sex, religion, handicap, familial status, [o+] national origin, or source of income:
- (1) represents to a person that a housing accommodation is not available for inspection, sale, or rental if the accommodation is available;
- (2) discriminates against a prospective buyer or renter in connection with the showing of a housing accommodation; or
- (3) with respect to a multiple listing service, real estate brokers' organization, or other business relating to selling or renting housing accommodations:
 - (A) denies a person access to or membership in the business; or
- (B) discriminates against a person in the terms or conditions of access to or membership in the business.
 - (c) A person commits an offense if he:

- (1) for profit, induces or attempts to induce another person to sell or rent a housing accommodation by a representation that a person of a particular race, color, sex, religion, handicap, familial status, [ex] national origin, or source of income is in proximity to, is present in, or may enter into the neighborhood in which the housing accommodation is located;
- (2) makes an oral or written statement indicating a policy of the respondent or a person represented by the respondent to discriminate on the basis of race, color, sex, religion, handicap, familial status, [e+] national origin, or source of income in the selling or renting of a housing accommodation; or
- (3) prints or publicizes or causes to be printed or publicized an advertisement that expresses a preference or policy of discrimination based on race, color, sex, religion, handicap, familial status, [er] national origin, or source of income in the selling or renting of a housing accommodation.
- (d) A person who engages in a residential real estate-related transaction commits an offense if he, because of race, color, sex, religion, handicap, familial status, [e+] national origin, or source of income, discriminates against a person:
 - (1) in making a residential real estate-related transaction available; or
 - (2) in the terms or conditions of a residential real estate-related transaction.
 - (e) A person commits an offense if he:
- (1) discriminates in the sale or rental of a housing accommodation to any buyer or renter because of a handicap of:
 - (A) that buyer or renter;
- (B) a person residing in or intending to reside in the housing accommodation after it is sold, rented, or made available; or
 - (C) any person associated with that buyer or renter; or
- (2) discriminates against any person in the terms, conditions, or privileges of sale or rental of a housing accommodation, or in the provision of services or facilities in connection with the housing accommodation, because of a handicap of:
 - (A) that person;
- (B) a person residing in or intending to reside in the housing accommodation after it is sold, rented, or made available; or
 - (C) any person associated with that person.

(f) A person commits an offense if he:

- (1) refuses to permit, at the expense of a handicapped person, reasonable modifications of existing premises occupied or to be occupied by the handicapped person, if the modifications may be necessary to afford the handicapped person full use of the premises; except that, in the case of a rental, the landlord may, where reasonable to do so, condition permission for modification on the renter's agreeing to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted;
- (2) refuses to make reasonable accommodations in rules, policies, practices, or services when the accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy a housing accommodation;
- (3) fails to design or construct a covered multi-family dwelling, for first occupancy after March 13, 1991, to have at least one building entrance on an accessible route, unless it is impractical to do so because of the terrain or unusual characteristics of the site; or
- (4) fails to design and construct a covered multi-family dwelling, for first occupancy after March 13, 1991, that has a building entrance on an accessible route in such a manner that:
- (A) the public and common use areas of the dwelling are readily accessible to and usable by a handicapped person;
- (B) all the doors designed to allow passage into and within all premises are sufficiently wide to allow passage by a handicapped person in a wheelchair; and
- (C) all premises within a dwelling unit contain the following features of adaptive design:
 - (i) an accessible route into and through the dwelling unit;
- (ii) light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
- (iii) reinforcements in the bathroom walls to allow later installation of grab bars; and
- (iv) usable kitchens and bathrooms that allow a person in a wheelchair to maneuver about the space.
- (g) A person commits an offense if he coerces, intimidates, threatens, or otherwise interferes with any person in the exercise or enjoyment of, or on account of that person having exercised or enjoyed, or on account of that person having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by this chapter.

(h) A person commits an offense if he retaliates against any person for making a complaint, testifying, assisting, or participating in any manner in a proceeding under this chapter."

SECTION 4. That Section 20A-5, "Defenses to Criminal Prosecution and Civil Action," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-5. DEFENSES TO CRIMINAL PROSECUTION AND CIVIL ACTION.

- (a) It is a defense to criminal prosecution or civil action under Section 20A-4 that:
 - (1) the housing accommodation is owned, controlled, or managed by:
- (A) a religious organization, or a nonprofit organization that exists in conjunction with or is operated, supervised, or controlled by a religious organization, and the organization sells or rents the housing accommodation only to individuals of the same religion as the organization; except that, this defense is not available if:
- (i) the offense involves discrimination other than on the basis of religion;
- (ii) the organization owns, controls, or manages the housing accommodation for a commercial purpose; or
- (iii) membership in the religion is limited to individuals on the basis of race, color, sex, handicap, familial status, $\{\Theta_{\mathbf{r}}\}$ national origin, or source of income.
- (B) a nonprofit religious, educational, civic, or service organization or by a person who rents the housing accommodation to individuals, a predominant number of whom are associated with the same nonprofit religious, educational, civic, or service organization, and the organization or person, for the purposes of privacy and personal modesty, rents the housing accommodation only to individuals of the same sex or provides separate accommodations or facilities on the basis of sex; except that, this defense is not available if the offense involves:
 - (i) discrimination other than on the basis of sex; or
 - (ii) a sale of the housing accommodation; or
- (C) a private organization and, incidental to the primary purpose of the organization, the organization rents the housing accommodation only to its own members; except that, this defense is not available if:
- (i) the organization owns, controls, or manages the housing accommodation for a commercial purpose; or

- (2) compliance with this chapter would violate a federal, state, or local law restricting the maximum number of occupants permitted to occupy a dwelling unit.
- (b) It is a defense to criminal prosecution or civil action under all of Section 20A-4 except Section 20A-4(c)(2) and (3) that the housing accommodation is:
- (1) a single-family dwelling owned by the respondent; except that, this defense is not available if the respondent:
- (A) owns an interest or title in more than three single-family dwellings, whether or not located inside the city, at the time the offense is committed;
- (B) has not resided in the dwelling within the preceding 24 months before the offense is committed; or
- (C) uses the services or facilities of a real estate agent, or any other person in the business of selling or renting real estate, in connection with a sale or rental involved in the offense; or
- (2) occupied or intended for occupancy by four or fewer families living independently of each other, and the respondent is the owner of the accommodation and occupies part of the accommodation as a residence; except that, this defense is not available if the offense involves a sale of all or part of the housing accommodation.
- (c) It is a defense to criminal prosecution or civil action under Section 20A-4 as it relates to handicap that occupancy of a housing accommodation by the aggrieved person would constitute a direct threat to the health or safety of another person or result in physical damage to another person's property.
- (d) It is a defense to criminal prosecution or civil action under Section 20A-4 as it relates to familial status that the housing accommodation is:
- (1) provided under a state or federal program that is specifically designed and operated to assist elderly persons, as defined in the state or federal program;
- (2) intended for, and solely occupied by, a person at least 62 years of age, except that:
- (A) an employee of the housing accommodation who performs substantial duties directly related to the management or maintenance of the housing accommodation may occupy a dwelling unit, with family members in the same unit; and

- (B) a person under age 62 years residing in the housing accommodation on September 13, 1988 may occupy a dwelling unit, provided that all new occupants following that date are persons at least 62 years of age; and
- (C) all vacant units are reserved for occupancy by persons at least 62 years of age; or
- (3) intended and operated for occupancy by at least one person 55 years of age or older per dwelling unit, provided that:
- (A) the housing accommodation has significant facilities and services specifically designed to meet the physical and social needs of an older person or, if it is not practicable to provide such facilities and services, the housing accommodation is necessary to provide important housing opportunities for an older person;
- (B) at least 80 percent of the dwelling units in the housing accommodation are occupied by at least one person 55 years of age or older per dwelling unit; except that a newly constructed housing accommodation for first occupancy after March 12, 1989 need not comply with this requirement until 25 percent of the dwelling units in the housing accommodation are occupied; and
- (C) the owner or manager of the housing accommodation publishes and adheres to policies and procedures that demonstrate an intent by the owner or manager to provide housing to persons at least 55 years of age.
- (e) It is a defense to criminal prosecution or civil action under Section 20A-4(d) that the person, in the purchasing of loans, considered factors that were justified by business necessity and related to the transaction's financial security or the protection against default or reduction in the value of the security, but were unrelated to race, color, religion, sex, handicap, familial status, [ef] national origin, or source of income.
- (f) It is a defense to criminal prosecution under Section 20A-4 that the aggrieved person has been convicted by a court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined by Section 481.002 of the Texas Health and Safety Code, as amended, or by Section 802, Title 21 of the United States Code Annotated, as amended.
- (g) It is a defense to criminal prosecution under Section 20A-4(d) that the person was engaged in the business of furnishing appraisals of real property and considered factors other than race, color, religion, sex, handicap, familial status, [67] national origin, or source of income.
 - (h) Nothing in this chapter prohibits:
- (1) conduct against a person because of the person's conviction by a court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined by Section 481.002 of the Texas Health and Safety Code, as amended, or by Section 802, Title 21 of the United States Code Annotated, as amended; or

- (2) a person engaged in the business of furnishing appraisals of real property from taking into consideration factors other than race, color, religion, sex, handicap, familial status, [ex] national origin, or source of income."
- SECTION 5. That Subsection (c) of Section 20A-7, "Complaint and Answer," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:
- "(c) A complaint must be in writing, made under oath or affirmation, and contain the following information:
 - (1) Name and address of the respondent.
 - (2) Name, address, and signature of the complainant.
- (3) Name and address of the aggrieved person, if different from the complainant.
- (4) Date of the occurrence or termination of the discriminatory housing practice and date of the filing of the complaint.
- (5) Description and address of the housing accommodation involved in the discriminatory housing practice, if appropriate.
- (6) Concise statement of the facts of the discriminatory housing practice, including the basis of the discrimination (race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income)."
- SECTION 6. That Subsection (d) of Section 20A-10, "Conciliation," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:
 - "(d) A conciliation agreement executed under this section must contain:
- (1) an identification of the discriminatory housing practice and corresponding respondent that gives rise to the conciliation agreement under Subsection (a) and the identification of any other discriminatory housing practice and respondent that the parties agree to make subject to the limitation on prosecution in Subsection (b);
- (2) an identification of the housing accommodation subject to the conciliation agreement; and
 - a statement that each party entering into the conciliation agreement agrees:
 - (A) not to violate this chapter or the conciliation agreement; and

- (B) that the respondent shall file with the administrator a periodic activity report, in accordance with the following regulations, if the discriminatory housing practice giving rise to the conciliation agreement under Subsection (a) involves a respondent who engages in a business relating to selling or renting housing accommodations; a housing accommodation occupied or intended for occupancy on a rental or sale basis; or a violation of Section 20A-4(d):
- (i) Unless the discriminatory housing practice involves a violation of Section 20A-4(c)(1), the activity report must state, with respect to each person of the specified class (the race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income alleged as the basis of discrimination in the complaint on the discriminatory housing practice) who in person contacts a party to the conciliation agreement concerning either sale, rental, or financing of a housing accommodation or a business relating to selling or renting housing accommodations, the name and address or telephone number of the person, the date of each contact, and the result of each contact.
- (ii) If the discriminatory housing practice involves a violation of Section 20A-4(c)(1), the activity report must state the number and manner of solicitations concerning housing accommodations made by the party and the approximate boundaries of each neighborhood in which the solicitations are made.
- (iii) The party who prepares the activity report must sign and verify the report.
- (iv) An activity report must be filed each month on the date specified in the conciliation agreement for a period of not less than three months nor more than 36 months, as required by the conciliation agreement."
- SECTION 7. That a person violating any provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.
- SECTION 8. That Chapter 20A of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.
- SECTION 9. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.
- SECTION 10. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:
CHRISTOPHER D. BOWERS, Interim City Attorney
Assistant City Attorney
Passed

ORDINANCE NO.	
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An ordinance amending Chapter 20A, "Fair Housing," of the Dallas City Code by amending Sections 20A-2, 20A-3, 20A-4, 20A-5, 20A-7, and 20A-10; prohibiting discrimination in housing practices on the basis of source of income; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 20A-2, "Declaration of Policy," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-2. DECLARATION OF POLICY.

It is the policy of the city of Dallas, through fair, orderly, and lawful procedures, to promote the opportunity for each person to obtain housing without regard to race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income. This policy is grounded upon a recognition of the right of every person to have access to adequate housing of the person's own choice, and the denial of this right because of race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income is detrimental to the health, safety, and welfare of the inhabitants of the city and constitutes an unjust deprivation of rights, which is within the power and proper responsibility of government to prevent."

SECTION 2. That Section 20A-3, "Definitions," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-3. DEFINITIONS.

In this chapter, unless the context requires a different definition:

- (1) ACCESSIBLE means that an area of a housing accommodation can be approached, entered, and used by a person with a physical handicap.
- (2) ACCESSIBLE ROUTE means a continuous unobstructed path connecting accessible elements and spaces in a housing accommodation that can be negotiated by a person with a severe disability using a wheelchair and that is also safe for and usable by a person with other disabilities.

- (3) ADMINISTRATOR means the administrator of the fair housing office designated by the city manager to enforce and administer this chapter and includes the administrator's designated representative.
- (4) AGGRIEVED PERSON means a person claiming to be injured by a discriminatory housing practice.
- (5) BUILDING ENTRANCE ON AN ACCESSIBLE ROUTE means an accessible entrance to a covered multi-family dwelling that is connected by an accessible route to public transportation stops, to accessible parking and passenger loading zones, or to the public streets or sidewalks, if available.
- (6) COMPLAINANT means a person, including the administrator, who files a complaint under Section 20A-7.

(7) COVERED MULTI-FAMILY DWELLING means:

- (A) a building consisting of four or more dwelling units if the building has one or more elevators; and
- (B) a ground floor dwelling unit in any other building consisting of four or more dwelling units.
- (8) DEFENSE means a defense to criminal prosecution in municipal court as explained in the Texas Penal Code. Defense also means, where specifically provided, an exemption from a civil action.
- (9) DISCRIMINATORY HOUSING PRACTICE means conduct that is an offense under Section 20A-4 of this chapter.
 - (10) DWELLING UNIT means a single unit of residence for a family.
 - (11) FAMILIAL STATUS means the status of a person resulting from being:
 - (A) pregnant;
- (B) domiciled with an individual younger than 18 years of age in regard to whom the person:
 - (i) is the parent or legal custodian; or
- (ii) has the written permission of the parent or legal custodian for domicile with the individual; or
- (C) in the process of obtaining legal custody of an individual younger than 18 years of age.

- (12) FAMILY includes a single individual.
- (13) HANDICAP:
 - (A) means:
- (i) a physical or mental impairment that substantially limits one or more major life activities;
- (ii) a record of an impairment described in Subparagraph (i) of this paragraph; or
- (iii) being regarded as having an impairment described in Subparagraph (i) of this paragraph; and
- (B) does not mean a current, illegal use of or addiction to a drug or illegal or federally-controlled substance.

(14) HOUSING ACCOMMODATION means:

- (A) any building, structure, or part of a building or structure that is occupied, or designed or intended for occupancy, as a residence for one or more families; and
- (B) any vacant land that is offered for sale or lease for the construction or location of a building, structure, or part of a building or structure described by Paragraph (A) of this subsection.
- (15) PERSON means an individual, corporation, partnership, association, labor organization, legal representative, mutual company, joint-stock company, trust, unincorporated organization, trustee, receiver, or fiduciary or any employee, representative, or agent of the person.
- (16) RENT means lease, sublease, or otherwise grant for a consideration the right to occupy premises that are not owned by the occupant.
- (17) RESIDENCE does not include a hotel, motel, or similar public accommodation where occupancy is available exclusively on a temporary, day-to-day basis.

(18) RESIDENTIAL REAL ESTATE-RELATED TRANSACTION means:

- (A) the making or purchasing of loans or the providing of other financial assistance:
- (i) for purchasing, constructing, improving, repairing, or maintaining a housing accommodation; or

- (ii) secured by residential real estate; or
- (B) the selling, brokering, or appraising of residential real property.
- (19) RESPONDENT means a person identified in a complaint or charge as having committed a discriminatory housing practice under this chapter.
- from whatever source derived (including housing vouchers and other subsidies provided by government or non-governmental entities, child support, or spousal maintenance), except as prohibited by Texas Local Government Code Section 250.007, as amended. For purposes of housing accommodations that benefit from a subsidy approved by the Dallas City Council on or after October 1, 2016, source of income includes housing choice vouchers and other federal, state, and local housing subsidies.
- (21) SUBSIDY means (i) a designated public subsidy matter, as that term is defined in Section 12A-15.2 of the Dallas City Code, as amended; or (ii) a request to increase zoning density or floor area ratio approved by the Dallas City Council."
- SECTION 3. That Section 20A-4, "Discriminatory Housing Practices," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-4. DISCRIMINATORY HOUSING PRACTICES.

- (a) A person commits an offense if he, because of race, color, sex, religion, handicap, familial status, [6f] national origin, or source of income:
- (1) refuses to negotiate with a person for the sale or rental of a housing accommodation or otherwise denies or makes unavailable a housing accommodation to a person;
- (2) refuses to sell or rent, or otherwise makes unavailable, a housing accommodation to another person after the other person makes an offer to buy or rent the accommodation; or
- (3) discriminates against a person in the terms, conditions, or privileges of, or in providing a service or facility in connection with, the sale or rental of a housing accommodation.
- (b) A person commits an offense if he, because of race, color, sex, religion, handicap, familial status, [or] national origin, or source of income:
- (1) represents to a person that a housing accommodation is not available for inspection, sale, or rental if the accommodation is available;

- (2) discriminates against a prospective buyer or renter in connection with the showing of a housing accommodation; or
- (3) with respect to a multiple listing service, real estate brokers' organization, or other business relating to selling or renting housing accommodations:
 - (A) denies a person access to or membership in the business; or
- (B) discriminates against a person in the terms or conditions of access to or membership in the business.
 - (c) A person commits an offense if he:
- (1) for profit, induces or attempts to induce another person to sell or rent a housing accommodation by a representation that a person of a particular race, color, sex, religion, handicap, familial status, [e+] national origin, or source of income is in proximity to, is present in, or may enter into the neighborhood in which the housing accommodation is located;
- (2) makes an oral or written statement indicating a policy of the respondent or a person represented by the respondent to discriminate on the basis of race, color, sex, religion, handicap, familial status, [e+] national origin, or source of income in the selling or renting of a housing accommodation; or
- (3) prints or publicizes or causes to be printed or publicized an advertisement that expresses a preference or policy of discrimination based on race, color, sex, religion, handicap, familial status, [e+] national origin, or source of income in the selling or renting of a housing accommodation.
- (d) A person who engages in a residential real estate-related transaction commits an offense if he, because of race, color, sex, religion, handicap, familial status, [offense] national origin, or source of income, discriminates against a person:
 - (1) in making a residential real estate-related transaction available; or
 - (2) in the terms or conditions of a residential real estate-related transaction.
 - (e) A person commits an offense if he:
- (1) discriminates in the sale or rental of a housing accommodation to any buyer or renter because of a handicap of:
 - (A) that buyer or renter;
- (B) a person residing in or intending to reside in the housing accommodation after it is sold, rented, or made available; or

- (C) any person associated with that buyer or renter; or
- (2) discriminates against any person in the terms, conditions, or privileges of sale or rental of a housing accommodation, or in the provision of services or facilities in connection with the housing accommodation, because of a handicap of:
 - (A) that person;
- (B) a person residing in or intending to reside in the housing accommodation after it is sold, rented, or made available; or
 - (C) any person associated with that person.
 - (f) A person commits an offense if he:
- (1) refuses to permit, at the expense of a handicapped person, reasonable modifications of existing premises occupied or to be occupied by the handicapped person, if the modifications may be necessary to afford the handicapped person full use of the premises; except that, in the case of a rental, the landlord may, where reasonable to do so, condition permission for modification on the renter's agreeing to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted;
- (2) refuses to make reasonable accommodations in rules, policies, practices, or services when the accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy a housing accommodation;
- (3) fails to design or construct a covered multi-family dwelling, for first occupancy after March 13, 1991, to have at least one building entrance on an accessible route, unless it is impractical to do so because of the terrain or unusual characteristics of the site; or
- (4) fails to design and construct a covered multi-family dwelling, for first occupancy after March 13, 1991, that has a building entrance on an accessible route in such a manner that:
- (A) the public and common use areas of the dwelling are readily accessible to and usable by a handicapped person;
- (B) all the doors designed to allow passage into and within all premises are sufficiently wide to allow passage by a handicapped person in a wheelchair; and
- (C) all premises within a dwelling unit contain the following features of adaptive design:
 - (i) an accessible route into and through the dwelling unit;

- (ii) light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
- (iii) reinforcements in the bathroom walls to allow later installation of grab bars; and
- (iv) usable kitchens and bathrooms that allow a person in a wheelchair to maneuver about the space.
- (g) A person commits an offense if he coerces, intimidates, threatens, or otherwise interferes with any person in the exercise or enjoyment of, or on account of that person having exercised or enjoyed, or on account of that person having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by this chapter.
- (h) A person commits an offense if he retaliates against any person for making a complaint, testifying, assisting, or participating in any manner in a proceeding under this chapter."

SECTION 4. That Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended by adding Section 20A-4.1, "Acceptance of Vouchers," to read as follows:

"SEC. 20A-4.1. ACCEPTANCE OF VOUCHERS.

In accordance with Texas Local Government Code Section 250.007, as amended, all housing accommodations that benefit from a subsidy approved by the Dallas City Council on or after October 1, 2016, shall accept housing vouchers, including federal housing choice vouchers."

SECTION 5. That Section 20A-5, "Defenses to Criminal Prosecution and Civil Action," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 20A-5. DEFENSES TO CRIMINAL PROSECUTION AND CIVIL ACTION.

- (a) It is a defense to criminal prosecution or civil action under Section 20A-4 that:
 - (1) the housing accommodation is owned, controlled, or managed by:
- (A) a religious organization, or a nonprofit organization that exists in conjunction with or is operated, supervised, or controlled by a religious organization, and the organization sells or rents the housing accommodation only to individuals of the same religion as the organization; except that, this defense is not available if:

- (i) the offense involves discrimination other than on the basis of religion;
- (ii) the organization owns, controls, or manages the housing accommodation for a commercial purpose; or
- (iii) membership in the religion is limited to individuals on the basis of race, color, sex, handicap, familial status, [ef] national origin, or source of income.
- (B) a nonprofit religious, educational, civic, or service organization or by a person who rents the housing accommodation to individuals, a predominant number of whom are associated with the same nonprofit religious, educational, civic, or service organization, and the organization or person, for the purposes of privacy and personal modesty, rents the housing accommodation only to individuals of the same sex or provides separate accommodations or facilities on the basis of sex; except that, this defense is not available if the offense involves:
 - (i) discrimination other than on the basis of sex; or
 - (ii) a sale of the housing accommodation; or
- (C) a private organization and, incidental to the primary purpose of the organization, the organization rents the housing accommodation only to its own members; except that, this defense is not available if:
- (i) the organization owns, controls, or manages the housing accommodation for a commercial purpose; or
- (ii) the offense involves a sale of the housing accommodation; or
- (2) compliance with this chapter would violate a federal, state, or local law restricting the maximum number of occupants permitted to occupy a dwelling unit.
- (b) It is a defense to criminal prosecution or civil action under all of Section 20A-4 except Section 20A-4(c)(2) and (3) that the housing accommodation is:
- (1) a single-family dwelling owned by the respondent; except that, this defense is not available if the respondent:
- (A) owns an interest or title in more than three single-family dwellings, whether or not located inside the city, at the time the offense is committed;
- (B) has not resided in the dwelling within the preceding 24 months before the offense is committed; or

- (C) uses the services or facilities of a real estate agent, or any other person in the business of selling or renting real estate, in connection with a sale or rental involved in the offense; or
- (2) occupied or intended for occupancy by four or fewer families living independently of each other, and the respondent is the owner of the accommodation and occupies part of the accommodation as a residence; except that, this defense is not available if the offense involves a sale of all or part of the housing accommodation.
- (c) It is a defense to criminal prosecution or civil action under Section 20A-4 as it relates to handicap that occupancy of a housing accommodation by the aggrieved person would constitute a direct threat to the health or safety of another person or result in physical damage to another person's property.
- (d) It is a defense to criminal prosecution or civil action under Section 20A-4 as it relates to familial status that the housing accommodation is:
- (1) provided under a state or federal program that is specifically designed and operated to assist elderly persons, as defined in the state or federal program;
- (2) intended for, and solely occupied by, a person at least 62 years of age, except that:
- (A) an employee of the housing accommodation who performs substantial duties directly related to the management or maintenance of the housing accommodation may occupy a dwelling unit, with family members in the same unit; and
- (B) a person under age 62 years residing in the housing accommodation on September 13, 1988 may occupy a dwelling unit, provided that all new occupants following that date are persons at least 62 years of age; and
- (C) all vacant units are reserved for occupancy by persons at least 62 years of age; or
- (3) intended and operated for occupancy by at least one person 55 years of age or older per dwelling unit, provided that:
- (A) the housing accommodation has significant facilities and services specifically designed to meet the physical and social needs of an older person or, if it is not practicable to provide such facilities and services, the housing accommodation is necessary to provide important housing opportunities for an older person;
- (B) at least 80 percent of the dwelling units in the housing accommodation are occupied by at least one person 55 years of age or older per dwelling unit; except that a newly constructed housing accommodation for first occupancy after March 12,

1989 need not comply with this requirement until 25 percent of the dwelling units in the housing accommodation are occupied; and

- (C) the owner or manager of the housing accommodation publishes and adheres to policies and procedures that demonstrate an intent by the owner or manager to provide housing to persons at least 55 years of age.
- (e) It is a defense to criminal prosecution or civil action under Section 20A-4(d) that the person, in the purchasing of loans, considered factors that were justified by business necessity and related to the transaction's financial security or the protection against default or reduction in the value of the security, but were unrelated to race, color, religion, sex, handicap, familial status, [ef] national origin, or source of income.
- (f) It is a defense to criminal prosecution under Section 20A-4 that the aggrieved person has been convicted by a court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined by Section 481.002 of the Texas Health and Safety Code, as amended, or by Section 802, Title 21 of the United States Code Annotated, as amended.
- (g) It is a defense to criminal prosecution under Section 20A-4(d) that the person was engaged in the business of furnishing appraisals of real property and considered factors other than race, color, religion, sex, handicap, familial status, [ex] national origin, or source of income.
- (h) It is a defense to criminal prosecution or civil action under Section 20A-4 regarding source of income that at least 10 percent of the dwelling units in a multifamily use, as defined in Section 51A-4.209(b)(5) of the Dallas Development Code, as amended, are leased to housing voucher holders.

(i) Nothing in this chapter prohibits:

- (1) conduct against a person because of the person's conviction by a court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined by Section 481.002 of the Texas Health and Safety Code, as amended, or by Section 802, Title 21 of the United States Code Annotated, as amended; or
- (2) a person engaged in the business of furnishing appraisals of real property from taking into consideration factors other than race, color, religion, sex, handicap, familial status, [ef] national origin, or source of income."
- SECTION 6. That Subsection (c) of Section 20A-7, "Complaint and Answer," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:

- "(c) A complaint must be in writing, made under oath or affirmation, and contain the following information:
 - (1) Name and address of the respondent.
 - (2) Name, address, and signature of the complainant.
- (3) Name and address of the aggrieved person, if different from the complainant.
- (4) Date of the occurrence or termination of the discriminatory housing practice and date of the filing of the complaint.
- (5) Description and address of the housing accommodation involved in the discriminatory housing practice, if appropriate.
- (6) Concise statement of the facts of the discriminatory housing practice, including the basis of the discrimination (race, color, sex, religion, handicap, familial status, [ef] national origin, or source of income)."
- SECTION 7. That Subsection (d) of Section 20A-10, "Conciliation," of Chapter 20A, "Fair Housing," of the Dallas City Code, as amended, is amended to read as follows:
 - "(d) A conciliation agreement executed under this section must contain:
- (1) an identification of the discriminatory housing practice and corresponding respondent that gives rise to the conciliation agreement under Subsection (a) and the identification of any other discriminatory housing practice and respondent that the parties agree to make subject to the limitation on prosecution in Subsection (b);
- (2) an identification of the housing accommodation subject to the conciliation agreement; and
 - (3) a statement that each party entering into the conciliation agreement agrees:
 - (A) not to violate this chapter or the conciliation agreement; and
- (B) that the respondent shall file with the administrator a periodic activity report, in accordance with the following regulations, if the discriminatory housing practice giving rise to the conciliation agreement under Subsection (a) involves a respondent who engages in a business relating to selling or renting housing accommodations; a housing accommodation occupied or intended for occupancy on a rental or sale basis; or a violation of Section 20A-4(d):

- (i) Unless the discriminatory housing practice involves a violation of Section 20A-4(c)(1), the activity report must state, with respect to each person of the specified class (the race, color, sex, religion, handicap, familial status, [ex] national origin, or source of income alleged as the basis of discrimination in the complaint on the discriminatory housing practice) who in person contacts a party to the conciliation agreement concerning either sale, rental, or financing of a housing accommodation or a business relating to selling or renting housing accommodations, the name and address or telephone number of the person, the date of each contact, and the result of each contact.
- (ii) If the discriminatory housing practice involves a violation of Section 20A-4(c)(1), the activity report must state the number and manner of solicitations concerning housing accommodations made by the party and the approximate boundaries of each neighborhood in which the solicitations are made.
- (iii) The party who prepares the activity report must sign and verify the report.
- (iv) An activity report must be filed each month on the date specified in the conciliation agreement for a period of not less than three months nor more than 36 months, as required by the conciliation agreement."
- SECTION 8. That a person violating any provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.
- SECTION 9. That Chapter 20A of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.
- SECTION 10. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 11. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:
CHRISTOPHER D. BOWERS, Interim City Attorney
ByAssistant City Attorney
Passed

KEY FOCUS AREA: E-Gov

AGENDA DATE: June 15, 2016

COUNCIL DISTRICT(S): 1

DEPARTMENT: Office of Financial Services

Housing/Community Services
Office of Economic Development

CMO: Jeanne Chipperfield, 670-7804

Alan Sims, Chief of Neighborhood Plus, 670-1611

Ryan S. Evans, 671-9837

MAPSCO: 54D

SUBJECT

A public hearing to receive comments on the proposed change of use for property located at 138 West Davis Street purchased with Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD); and, at the close of the public hearing authorize: (1) approval of the change of use and voluntary refund of CDBG funds to be used for other eligible purposes in the future; (2) disbursement of Public/Private Partnership Funds in the amount of \$479,541 to provide for the voluntary refund of CDBG funds within the timeframe required by HUD; and (3) the receipt and deposit of funds in an amount not less than \$479,541 from the Developer to fully reimburse the Public/Private Partnership Fund upon availability of construction loan funding - Not to exceed \$479,541 - Financing: Public/Private Partnership Funds

BACKGROUND

Community Development Block Grant (CDBG) funds in the amount of \$479,541 were used to complete design work, environmental testing related to median improvements and the purchase of the property located at 138 West Davis Street in December 2013. The original project was to create an open space/public plaza median on the site to include streetscape improvements, seating, landscaping and lighting. In 2014, the property adjacent to the project site was identified as a future streetcar stop location (as part of the planned extension of the Oak Cliff Streetcar from Methodist Hospital area to the Bishop Arts District).

When the opportunity for a streetcar extension and stop became known, discussions ensued to incorporate the public plaza within the streetcar stop. As plans for new development in the area began to evolve, the remaining portion of the originally proposed CDBG project, including completion of the public plaza and streetscape improvements, were not completed.

BACKGROUND (Continued)

In January 2015, developer Alamo Manhattan BAD, LLC ("Developer") began discussions with City staff on a proposed Bishop Arts Station project for TIF funding. This project would be a mixed-use development - 209 residential units (20% will be affordable units) and 25,200 square feet of retail/restaurant space with structured parking. Total investment for this development is estimated to be approximately \$50M.

The proposed Bishop Arts Station project design includes a 1,250 square feet abandonment of the western portion of 138 West Davis Street tract (of the 10,260 sf originally purchased with CDBG funds) for a small portion of building structure and restaurant seating. The eastern portion would remain public as an enhanced plaza adjacent to the streetcar line as proposed in the initial CDBG project.

A condition of the TIF agreement for the development project is that the Developer provide for funds as required by HUD for the City to refund HUD; however, the Developer does not anticipate having a construction loan to provide this payment until September 2016. Typically, HUD receives payment within 30-45 days of the close of the public hearing, necessitating the need to provide an interim source of City Public/Private Partnership funds. The TIF agreement with the Developer will include a requirement that the City be reimbursed upon their construction loan funding.

According to the U.S. Department of Housing and Urban Development (HUD) regulations, the proposed abandonment of a portion of the property at 138 West Davis Street triggers the change of use provisions in HUD's Code of Federal Regulations (CFR), at 24 CFR 570.505.

The change of use provisions requires that citizens be provided notice and opportunity to comment on the proposed change. If it is determined to change the use of the property to a use which does meet a national objective, the changed use is allowed if the CDBG program is reimbursed in the amount of the current fair market value of the property. Following the refund to the CDBG program, the property will no longer be subject to any CDBG requirements.

In order to provide the most flexibility for the proposed developer with design and timing for the proposed project, a change of use is needed. Staff has consulted with HUD and received approval of the City's proposal to move forward with compliance with the change of use provisions.

This item holds a public hearing to receive comments on the proposed change of use for property located at 138 West Davis Street purchased with Community Development Block Grant funds from the U.S. Department of Housing and Urban Development; and, at the close of the public hearing, authorize approval of the change of use and voluntary refund of CDBG funds to be used for other eligible purposes in the future.

BACKGROUND (Continued)

In conformance with HUD requirements, a notice of the public hearing was published in the Dallas Morning News on May 15, 2016.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item was provided at the combined Economic Development and Housing Committee meeting on February 1, 2016.

On March 23, 2016, City Council authorized a development agreement with Alamo Manhattan BAD, LLC and/or its affiliates which included a pending abandonment process acquisition of a portion of City owned right-of-way at 138 West Davis Street by Resolution No. 16-0466, as amended.

On April 27, 2016, City Council authorized a public hearing to be held on June 15, 2016, to receive comments on the proposed change of use for property located at 138 West Davis Street purchased with Community Development Block Grant funds from the U. S. Department of Housing and Urban Development, by Resolution No. 16-0637.

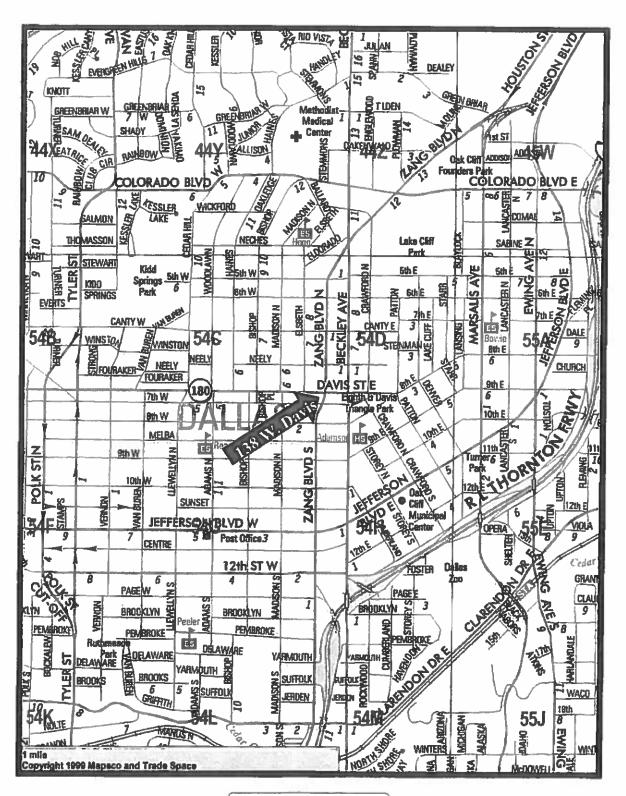
Information about this item will be provided to the Housing Committee on June 6, 2016.

FISCAL INFORMATION

Public/Private Partnership Funds - \$479,541

MAP

Attached



MAPSCO 54D

June 15, 2016

WHEREAS, Community Development Block Grant (CDBG) funds in the amount of \$479,541 were used to complete design work, environmental testing related to median improvements and the purchase of the property located at 138 West Davis Street; and

WHEREAS, the City of Dallas desires to abandon 1,250 square feet of City-owned property purchased with CDBG funds located at 138 West Davis Street as part of a proposed development project; and

WHEREAS, a condition of the TIF agreement for the development project is that the developer provide for funds as required by HUD for the City to refund HUD; however, the developer funding is contingent on a construction loan necessitating the need for City interim funding to provide the voluntary refund in a timely manner for HUD; and

WHEREAS, according to HUD regulations, the proposed abandonment of a portion of the property at 138 West Davis Street triggers the change of use provisions in HUD's Code of Federal Regulations (CFR), at 24 CFR 570.505 that requires public notice; and

WHEREAS, on April 27, 2016, City Council authorized a public hearing to be held on June 15, 2016 to receive comments on the proposed change of use, and notice was published in the Dallas Morning News on May 15, 2016; and

WHEREAS, holding a public hearing on June 15, 2016 for public comment on the proposed change of use for property located at 138 West Davis Street purchased with CDBG funds will satisfy HUD requirements;

Now, Therefore.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Council hereby authorizes approval of the change of use for property located at 138 West Davis Street purchased with CDBG funds and voluntary refund of CDBG funds to be used for other eligible purposes in the future.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds to the U.S. Department of Housing and Urban Development in an amount not to exceed \$479,541, from Fund 0352, Department ECO, Unit 9992, Object Code 3571, Activity PPPF, Encumbrance No. ECO99921283, Vendor No. 263304 for the voluntary refund of CDBG funds.

Section 3. That the Chief Financial Officer is hereby authorized to receive and deposit any and all funds received from the Developer in an amount not less than \$479,541, to fully reimburse the Public/Private Partnership Fund 0352, Department ECO, Unit 9992, Activity PPPF, Revenue Source 8518 for funds expended to provide for the voluntary refund of CDBG funds.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.